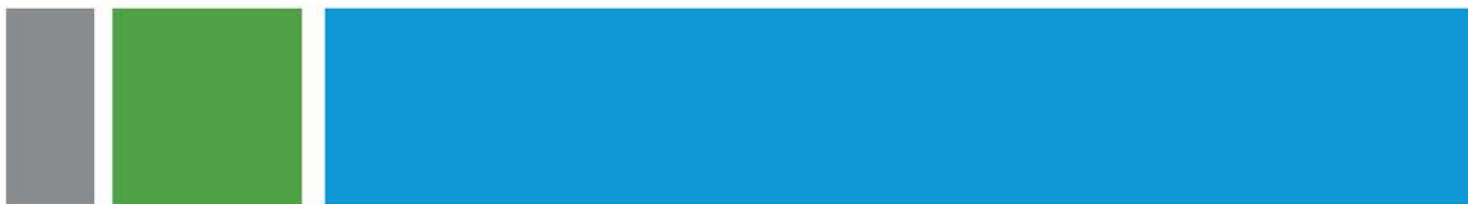




Collier County Public Schools

Remediation of Findings Noted by the Florida Auditor General

Report Date: April 8, 2019





April 8, 2019

Dr. Kamela Patton
Superintendent
Collier County Public Schools
5775 Osceola Trail
Naples, FL 34109

RSM US LLP

5551 Ridgewood Drive Suite 401
Naples, Florida 34108
T 321 751 6200
F 321 751 1385
www.rsmus.com

Pursuant to our approved Statement of Work (“SOW”) dated March 4, 2019, with Collier County Public Schools, FL (“CCPS”), we hereby present the results of our objective analysis of remediation performed by CCPS related to the findings noted by the Florida Auditor General (“Florida AG”) for the following previously issued reports:

- *Report Number 2019-072, Issued 12/11/2018: Financial and Federal Single Audit – audit period fiscal year ending 06/30/2018*
- *Report Number 2019-109, Issued 01/29/2019: Operational Audit*

Background

As required by the Institute of Internal Auditors’ *Standards for the Professional Practice of Internal Auditing* (Performance Standard #2500), internal auditors “should establish a follow-up process to ensure that management actions have been effectively implemented or that senior management has accepted the risk of not taking action.”

As part of our procedures, we reviewed the above reports for noted findings or management letter comments. We then performed appropriate inquiry, testing, evaluation, and verification to determine the adequacy, and effectiveness of actions taken by CCPS Management to correct reported observations and recommendations.

The results are as follows:

- *Report Number 2019-072, Issued 12/11/2018: Financial and Federal Single Audit – audit period fiscal year ending 06/30/2018*
 - No instances of noncompliance or other matters that are required to be reported under Governmental Accounting Standards per review of Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Confirmed in Accordance with Government Auditing Standards.
 - No instances of noncompliance that could have a direct and material effect on each of its major Federal programs for the fiscal year ended June 30, 2018, nor did they identify any deficiencies in internal control over compliance that they consider to be material weakness or significant deficiency to be reported per review of the Independent Auditor’s Report on Compliance for each Major Federal Program and Report on Internal control over Compliance Required by the Uniform Guidance.
- *Report Number 2019-109, Issued 01/29/2019: Operational Audit*

This operational audit focused on selected CCPS processes and administrative activities and included a follow-up on findings noted in report number 2016-068.

The Florida Auditor General identified three (3) findings as a result of their audit.

The following pages summarizes each finding noted, our procedures performed, and the current status of the finding.

Florida AG Finding and Recommendation	RSM Procedures	Status
<p>1. <i>Impact Fees</i> *</p> <p><i>Finding:</i> District records did not always evidence that impact fee proceeds were used only for authorized purposes, resulting in questioned costs of \$14 million.</p> <p><i>Recommendation:</i> The District should ensure that impact fee proceeds are expended only for authorized purposes. Additionally, the District should either document to the Florida Department of Education the allowability of the impact fee transfers totaling \$14 million to the debt service funds or restore those funds to the 2017-18 fiscal year Capital Projects – Impact Fees Fund.</p> <p><i>*Although CCPS disagreed with the Florida AG’s finding, with substantiated reasoning and supporting documentation, the Florida AG continued to question the allowability of the transfers.</i></p>	<ul style="list-style-type: none"> Obtained and reviewed CCPS General Counsel’s <i>Auditor Review of Impact Fees to Pay Prior Debt Services</i>. The CCPS General Counsel concluded that the use of impact fees to pay debt services on previously school construction is permissible per the County Consolidated Impact Fee Ordinance No. 2001-13. <p>Note: The Florida AG references Collier County Ordinance No. 92-33. This ordinance was repealed and superseded in its entirety by Collier County Ordinance No. 2001-13.</p> <ul style="list-style-type: none"> Obtained and reviewed memorandum regarding school impact fee revenue use from a third-party consultant that specializes in providing community planning and design among other services to public sector client throughout the United States to CCPS. The third-party consultant states that: <i>“Use of impact fees to pay debt service on bonds financing new capacity meets the reasonable nexus test because the fee payers receive student stations and other school facilities, and there, receive the benefit for which they paid.”</i> Although CCPS disagreed with the Florida AG, CCPS restored three (3) years, \$43.4 million, of impact fee transfers from fiscal years ending June 30, 2016 through June 30, 2018 from Debt Service back to the Capital Projects fund. RSM reviewed the journal entry without exception. 	<p>Closed</p>

Florida AG Finding and Recommendation	RSM Procedures	Status
<p>2. <i>School Bus Drivers – Licenses and History Records</i></p> <p><i>Finding:</i> District school bus driver monitoring procedures continue to need improvement. The Florida AG noted one (1) District bus driver’s license that was suspended during a 21 day period due to lack of required insurance, and four (4) school bus driver’s FDHSMV history records were not verified prior to start of duties. None of the 4 drivers had any histories with expired, suspended or revoked licenses.</p> <p><i>Recommendation:</i> The District should enhance bus driver monitoring procedures to ensure that only those individuals who are licensed and have appropriate driving histories operate school buses and transport students. As part of the periodic review of school bus driver history records, the District should verify that all bus drivers are included in the history records provided by Florida Department of Highway Safety and Motor Vehicles (“FDHSMV”) and that bus drivers maintain the required insurance. The District should also take immediate action to verify that all school bus drivers are properly licensed and have appropriate driving histories.</p>	<ul style="list-style-type: none"> December 2018, CCPS Transportation Department performed its bi-annual driver’s license check procedure by obtaining and reviewing the FDOE <i>Bus Driver Information Report</i> for each CCPS school bus driver to take appropriate action for school bus driver’s identified as having current or upcoming suspended or disqualified driver’s licenses, where needed. We selected ten (10) CCPS bus drivers to validate that the District performed immediate action, where required. All ten (10) bus drivers sampled had current or reinstated driver’s licenses, and none were identified as having an upcoming suspension. CCPS Transportation Department implemented a new procedure, <i>Enhanced Drivers’ License Record Check Procedure</i>, whereby on a weekly basis all bus driver adds or changes as reported by the Florida Department of Education (“FDOE”) (information is accumulated from the FDHSMV) is obtained for review. All CCPS “bus driver adds or changes” are reviewed to determine whether necessary action is needed, to ensure no one operates a school bus with a suspended or disqualified license. We obtained CCPS’s weekly review from March 5, 2019, noting no CCPS bus drivers were identified with having a current or upcoming suspended or disqualified driver’s license. 	<p>Closed</p>

Florida AG Finding and Recommendation	RSM Procedures	Status
<p>3. <i>Florida Best and Brightest Teacher Scholarship Program</i></p> <p><i>Finding:</i> District records did not document verification that the 118 charter school teachers who received Florida Best and Brightest Teacher Scholarship awards totaling \$264,000 during the 2017-18 fiscal year were eligible for those award.</p> <p><i>Recommendation:</i> To ensure that scholarships are awarded only to eligible recipients, the District should:</p> <ul style="list-style-type: none"> • Enhance procedures to document verifications that scholarships are awarded to eligible charter school teachers based on qualifying college entrance examination scores pursuant to State law. • Take appropriate actions to demonstrate the charter school teacher's eligibility to the FDOE or recover from the charter school teacher the scholarship award totaling \$6,000 and refund that amount to the FDOE. • Determine the propriety of the other 113 scholarships totaling \$236,800 awarded to charter school teachers and, for any scholarships awarded to ineligible recipients, take appropriate actions to recover and refund the amounts improperly awarded to the FDOE. 	<ul style="list-style-type: none"> • CCPS obtained additional documentation from the charter school to determine eligibility of the \$6,000 scholarship. The Charter School supplied a cover summary page noting the scores for: 1) Professional Practice, 2) Student Growth, 3) Combined Score and 4) Annual Performance Rating. The teacher was allowed to keep \$1,200, pursuant to Florida Statue 1012.34, based on the Annual Performance Rating being rated as "highly effective" per the cover summary page. To substantiate the Annual Performance Rating of "highly effective", the Charter School provided limited supporting documentation, 3 of 5 pages, of the teacher's <i>FCPCS Charter School Classroom Teacher Evaluation</i>. The results summarized on the last page of the document agreed to the cover page, but the documentation is not complete to substantiate the results, as sections B and C of the <i>FCPCS Charter School Classroom Teacher Evaluation</i> were not included. October 2018, \$4,800 of the \$6,000 scholarship was refunded back to the FDOE. • CCPS Human Resources implemented an updated procedural checklist to facilitate collecting the required documentation for verification of Charter School employees' eligibility for the Best and Brightest Scholarships. • February 11, 2019, CCPS sent email notification to all CCPS Charter School Principals requesting all qualifying documentation for the other 113 scholarships totaling \$236,800 for the fiscal year ending June 30, 2018. CCPS expects to receive the requested documentation by June 30, 2019. <p>As such, this finding remains open until CCPS's process of obtaining required documentation of scholarship eligibility is complete. RSM will be able to perform verification procedures, once CCPS obtains all required documentation.</p>	Open

We would like to thank the staff and all those involved in assisting us with the above procedures.

Respectfully Submitted,

RSM US LLP

RSM US LLP



www.rsmus.com

RSM US LLP is a limited liability partnership and the U.S. member firm of RSM International, a global network of independent audit, tax and consulting firms. The member firms of RSM International collaborate to provide services to global clients, but are separate and distinct legal entities that cannot obligate each other. Each member firm is responsible only for its own acts and omissions, and not those of any other party.

For more information, visit rsmus.com/aboutus for more information regarding RSM US LLP and RSM International.

© 2019 RSM US LLP. All Rights Reserved.